To the Honorable Martin Glen:

I wanted to make you aware that Celsius is deleting evidence of statements that Alex Mashinsky and Celsius made to customers, and is actively muzzling the voices of customers in online community spaces, such as Reddit.

Here are 2 pieces of content that Celsius has deleted so far:

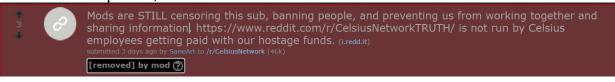
- 1. A Medium article, "Celsius Network is Nothing LikeBlockFi. Here's Why." The article was posted on March 12, 2019 and was online—and was therefore being used to lure in new customers and reassure current customers—until at least June 13, 2022. I have attached an internet archive of the article, along with evidence that it was originally posted on March 12, 2019, and that it was still online as of June 13, 2022.
- 2. The "Ask Me Anything" Video from June 11, 2021 on YouTube. The video is still up on Celsius' Twitter, however. I have included a printout of Celsius' tweet where this video can be watched, to preserve it in the court record, make sure it is not forgotten in this case as AMA videos are reviewed, and to hopefully ensure that Celsius does not delete it later.

In addition to deleting content, Celsius continues to delete posts from customers in community spaces including but not limited to: https://www.reddit.com/r/CelsiusNetwork.

I have attached a document outlining some posts that have been deleted by Celsius on Reddit recently. Posts in red marked "[removed] by mod" have been deleted by Celsius. Post deletions by Celsius moderators can be tracked in real-time here:

https://www.reveddit.com/v/CelsiusNetwork/?localSort=num comments

In particular, I want to flag that Celsius is banning posts that suggest alternative social media spaces, such as this one:



Your Honor, Celsius depositors feel alone, scared, and don't know where to turn or who to reach out to. We are organizing organically, setting up chats in various siloed spaces on Telegram, WhatsApp, and Reddit, including the official r/CelsiusNetwork Reddit that Celsius continues to moderate.

If Celsius customers are to organize for a good outcome together, we need to be able to find each other and communicate with each other, not just in newly-created customer-run spaces that we have to do research to find, but in Celsius-owned spaces, where the vast majority of customers still congregate. We deserve freedom of speech and freedom of association.

I hope that the court and/or the United States Trustee can stop this bad behavior by Celsius from continuing so that customers can evaluate the plans that Celsius puts forward in a fair and unbiased way.

I want to close out this letter by saying that I hope you will reduce the 120-day exclusivity period for Celsius. Although the sort of bad behavior I have outlined in this letter might suggest the need for a bankruptcy trustee or examiner to rein in Celsius' bad behavior, I do not think that is a good idea if it would result in Chapter 7 or even a predatory liquidation of our cryptocurrency for dollars under Chapter 11, such as the predatory offer that FTX recently made to Voyager customers.

There are alternative plans currently in development, such Simon Dixon's plan, and other even better restructuring offers may come in from other industry players. The more offers the better, but taking ANY offer from the current Celsius management team is a bad idea; they cannot be trusted.

I understand that these things take some time. Celsius needs to provide audited financials before other industry players can step up with concrete offers, for example. I urge you to order that without delay. They need to stay around until they turn over the private keys of our crypto to a party that can be trusted not to "run away" with our coins. And they will need to cooperate in any resolution. I suggest you keep them on a tight leash until they do these things, and then let the industry make offers that make depositors as whole as possible. Celsius management is not to be trusted and cannot get us out of this mess themselves, but I believe there is a future for the company with a new management team.

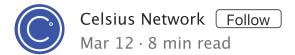
Thank you for your time and consideration.

I declare under penalty of perjury that the foregoing is true and correct. Executed on July 25, 2022.

<u>/s/ Immanuel Herrmann</u> Immanuel Herrmann

Celsius Network is Nothing Like BlockFi. Here's Why.

"Imitation is the sincerest form of flattery."— Charles Caleb Colton





elsius Network was founded by an innovative team with a simple idea: financial services should only ever act in the best interest of their community. It's a vision we've kept and will continue to

promote as our community grows and as competition increases. While other companies slowly enter this space hoping to disrupt the system and decentralize the big banks, it's absolutely vital that depositors understand where they are putting their funds, and what each company is promoting behind the scenes.

If a company isn't able to explain their business model or vision in clear and simple terms, it's a red flag that something *quite* isn't right. Our team is hard at work acting in your best interest; and like our team, our business model is also straightforward and transparent.

Through our platform, individuals and businesses are able to secure crypto-backed dollar loans starting at 4.95% per year, and crypto HODLers can create interest-earning accounts at rates up to 7.5% (7–10 times more than banks pay). We lend our community's assets to crypto exchanges and hedge funds looking to borrow coins. Up to 80% of all profits generated are given back to the community in the form of weekly interest which is distributed directly to our coin depositors. When we earn more, our community earns more, and THAT is doing what is in your best interest.

When BlockFi announced their new interest-earning accounts last week, many were quick to compare their services to the services offered by us at Celsius Network, but when you take a closer look, such comparisons don't hold up.

In the interest of the crypto community, I want to offer some advice I've learned from my own experience by sharing some *potential* red flags with the new BlockFi interest-earning accounts. It's easy to assume their promise of high interest rates is a move that acts in the

best interest of the community, but underneath this, it looks like it might just be a covert means to attract attention and increase profits for their shareholders and investors. Here's why...

1. They might not accept responsibility if they don't act in your best interest.

BlockFi is more than willing to collect your crypto, but depositors should know BlockFi not *exactly* willing to accept responsibility if anything happens to it (even at their own expense). From BlockFi's terms of use:

"BlockFi and our third party partners may experience cyberattacks, extreme market conditions, or other operational or technical difficulties which could result in the immediate halt of deposits and withdrawals of cryptocurrency either temporarily or permanently. BlockFi is not and will not be responsible or liable for any loss or damage of any sort incurred by you as a result of such cyber-attacks, operational or technical difficulties or suspensions of deposits or withdrawals."

In case there was confusion the clause above, they go on to state, "These Terms and the deposit relationship do not create a fiduciary relationship between us." In simpler terms, BlockFi is not bound to have a legal or ethical relationship with its depositors.

As the CEO of Celsius, I cannot imagine defining such an untrusting relationship between our community and our company. If you're interested, I encourage you to read our own terms and conditions to see how we are acting in your best interest.

2. Their "compound interest" is essentially a way to charge withdrawal fees.

Over the years, banks have used "compounding interest" as a tool to entice individuals to deposit with their institution over the competition. It also incentivizes individuals to deposit more money as banks are likely to project higher returns on larger amounts over long periods of time—typically forecasted for 5, 10, or even 40 years. In both cases, compounded interest presents much greater advantages for the banks (and their shareholders) than it does for the depositors.

BlockFi recently announced they will be offering depositors compounded interest paid out monthly at rates of 6% with an annual yield rate of 6.2%. While it may sound exciting on the surface, the reality is that 0.2% compounded over 12 months isn't much to write home about—especially when you read the fine print from BlockFi's Terms of Service which states, "If you withdraw any assets from your Crypto Interest Account prior to the last calendar day of the month, you will incur an early withdrawal penalty equal to the amount of interest accrued during that month on the assets withdrawn."

So if you want to withdraw your funds during any of the other 29 days of the month, BlockFi uses your compounded interest as payment just so you can access your own money. Celsius does not charge any fees, there are no early termination penalties, and you'll never find a hidden "gotcha" clause.

3. Their interest rates are subsidized by their VCs.

One of the most alarming aspects of BlockFi's new interest-earning accounts is how they are funding their 6% interest rates and their extra 0.2% of compounded interest. In December, BlockFi CEO Zac Prince stated that their interest rates "will fluctuate and be subsidized in effect by our venture investors." So, if BlockFi's VCs ever choose to stop funding the project, it's possible that those rates could crash and burn harder than 2017.

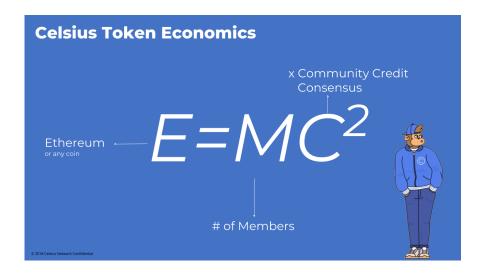
Celsius is transparent with how our rates are determined; the process was built from the ground up to maximize return for our depositors. Our rates are subject to change on a weekly basis as they are calculated by the weekly demand for each coin combined with our promise that up to 80% of our profits are returned to the depositors. The more people that deposit, the more profits there are to distribute to the community, and THAT is a sustainable and scalable promise.

4. They require a minimum for deposits and withdrawals.

If a financial institution requires customers to deposit a minimum amount, they see you as a dollar sign rather than as an individual worthy of financial independence. Why should the amount of money you have determine if you're able to earn interest on that money?

Celsius Network's mission is to bring the next 100 million people to the blockchain, and chances are 90% of them will have less than \$500 to invest in crypto. We have no minimum requirement to create an account and make a deposit because our large depositors subsidize the small depositors. BlockFi requires a minimum of 1 BTC or 25

ETH to open an account with them, proving that crypto adoption and growing the community is not their core mission.



BlockFi also requires a minimum amount deposited before any withdrawals can be made. Their terms of service state, "If you are making a partial withdrawal, your Crypto Interest Account must retain a minimum deposit after your withdrawal has been processed that is greater than or equal to the Minimum Balance to continue earning interest."

So there's a minimum amount required to open an account and a minimum amount required to be left into your account just so you can access your own funds. You will not find any restrictions at Celsius; you can deposit and withdraw any amount at any time and you'll continue earning on the balance left in your account.

5. Your funds could get locked up, and you could be left waiting in the cold for quite some time.

On the surface, BlockFi boasts its commitment to transparency. A closer look at the fine print listed in their terms of service would suggest otherwise. For example, you could get locked out from your funds with withdrawal limits as they state, "Withdrawal limits based on frequency may apply from time-to-time and will be described in your Crypto Interest Account interface." They also note, "BlockFi reserves up to 7 days to process a client fund withdrawal." Based on how fast the cryptocurrency world moves, 7 days is an awfully long time to wait for approval to access your own money.

Unlike Celsius Network, which pays interest every Monday to our community, BlockFi doesn't exactly guarantee that same level of timeliness. "We will credit your Crypto Interest Account with the interest earned within five business days of the end of each calendar month." That difference of getting your money every week may actually be more than the compounding interest they offer you.

In the end, go with what feels right.

I am a firm believer that competition is essential for innovation to flourish and I encourage companies to follow in our footsteps. Our goal is to level the financial playing field for all individuals by providing services and solutions that are fair and democratized rather than trying to increase profits for the 1%. At this stage, BlockFi is not doing enough for the cryptocurrency community to be compared to Celsius. If we want to take the power from the banks and give it back

to the people, we need to support a platform that was designed to do just that from the ground up with a team proven to execute and scale.

From creating VOIP so voice calls will be free (over 3.5 billion people use VOIP) to bringing free LTE + WiFi to the NYC subways, I am proud to have a 30-year history of disrupting the "status quo" by taking power away from big businesses—like phone companies and governments—and bringing it back to the community to make the world a better place. When was the last time you paid for a local or international call? Soon we'll be asking the same question about paying bank fees or earning less than 5% in interest on our money. Celsius Network created MOIP (Money Over Internet Protocol)—my way of disrupting the banks and bringing the power of money back to the people, and it's nice to finally see that other financial institutions are starting to get the message and have tried to build platforms that are focused on the community as well.

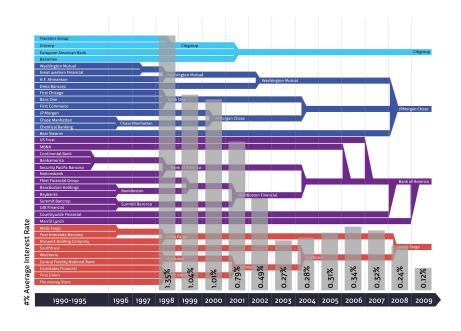


P2P = Power To The People

D 2018 Celsius Network Confident

Help us grow the community by joining Celsius and spreading the word and your coins (try our CelPay service)! Together we can change the world and make it a better place. There is nothing better than feeling your existence on this planet matters and you can help make the world a better, more fair place.

P.S.—Check out how every year there are fewer banks and less interest earned. Time for a revolution, no?



About Celsius Network

Celsius Network is a democratized interest income and lending platform accessible via a mobile app. Built on the belief that financial services should only do what is in the best interests of the community, Celsius is a modern platform where membership provides access to curated financial services that are not available through traditional financial institutions. Crypto holders can earn interest by transferring their coins to their Celsius Wallet and borrow USD against their crypto collateral at interest rates as low as 5% APR.

Download the Celsius Network app and start earning interest on your crypto today celsiusnetwork.app.link

Stay Connected!

Follow Celsius Network on Facebook, Twitter, Telegram, LinkedIn, Reddit, Instagram, and YouTube.







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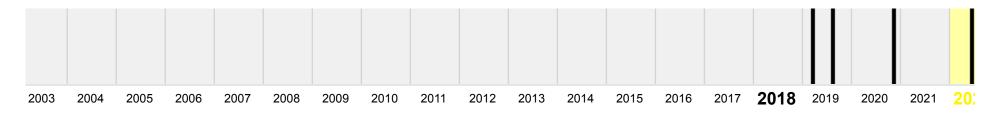
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https://medium.com/@CelsiusNetwork/celsius-network-is-nothing-like-

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Saved 4 times between March 30, 2019 and June 13, 2022.



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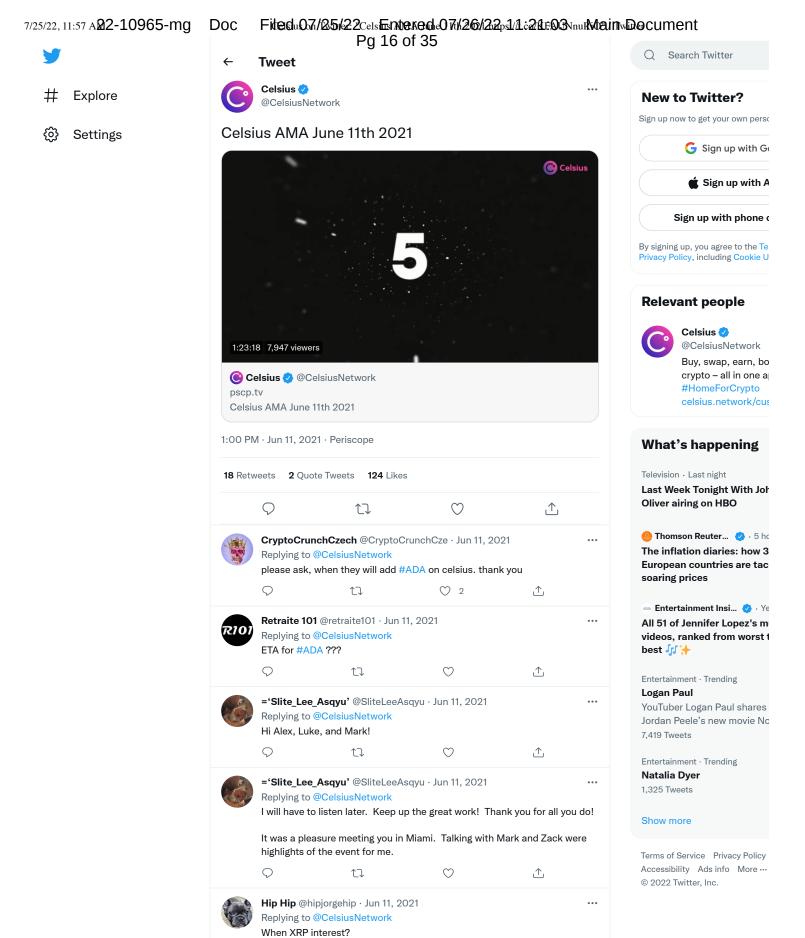
https://medium.com/@CelsiusNetwork/celsius-network-is-nothing-like-blockfi-heres-why-2f933412a51f was crawled by the Wayback Machine, *not* how many times the site was actually updated. More info in the FAQ.

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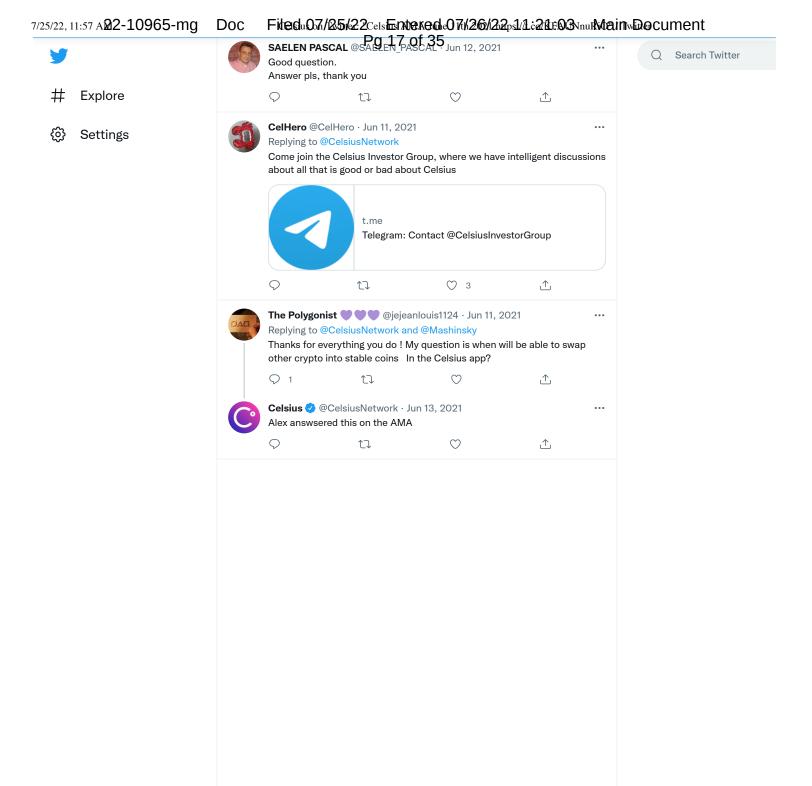
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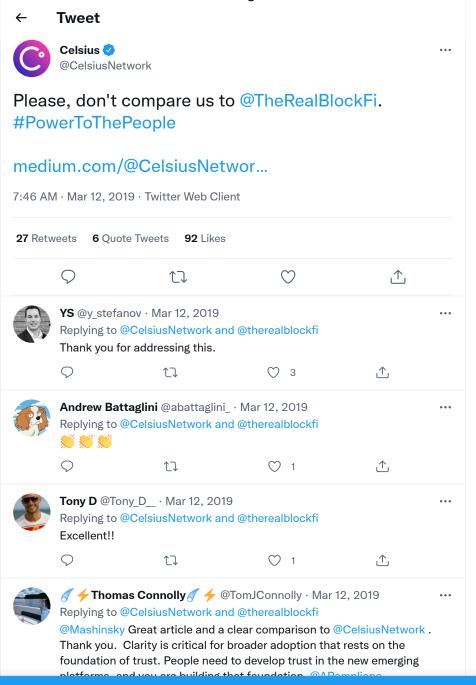
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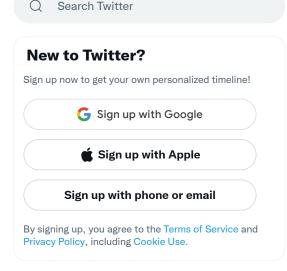
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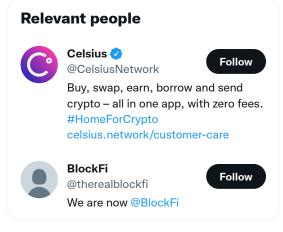
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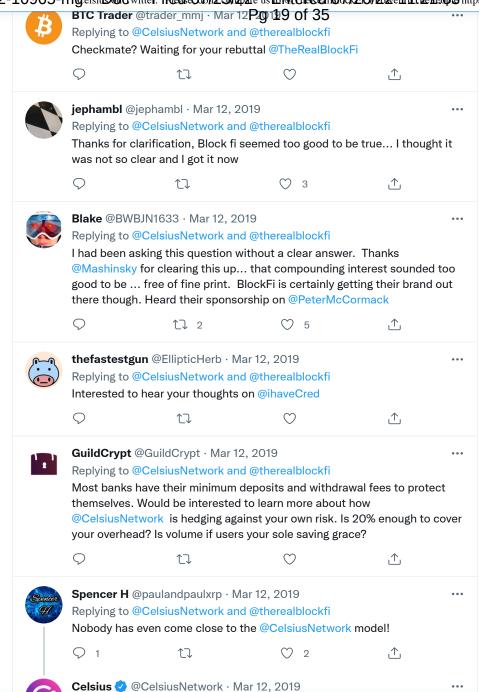
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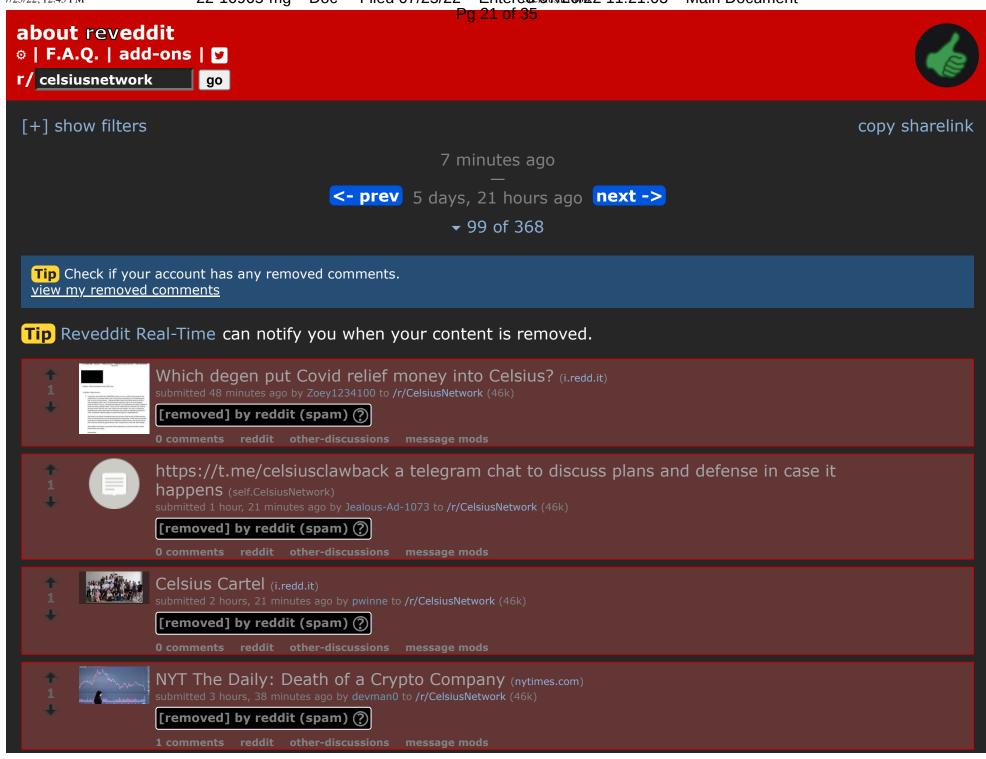
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Pg 22 of 35

Celsius are now actively stealing funds (self.CelsiusNetwork)
submitted 6 hours, 57 minutes ago by SafeGuard4175 to /r/CelsiusNetwork (46k)

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The Retail Industry Has a Transparency Problem: Krissy Mashinsky Is Using Blockchain to Fix It (techtimes.com)

submitted 12 hours, 45 minutes ago by ImaginaryMarsupial38 to /r/CelsiusNetwork (46k)

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If you believed in this network you are an idiot (self.CelsiusNetwork)

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Why hasn't Mashitsky been jailed yet? (self.CelsiusNetwork)

submitted 1 day, 1 hour ago by biohack3d to /r/CelsiusNetwork (46k)

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64 comments reddit other-discussions message mods



Is Alex a criminal? (self.CelsiusNetwork)

submitted 1 day, 1 hour ago* (edited 9 minutes after) by n0000f to /r/CelsiusNetwork (46k)

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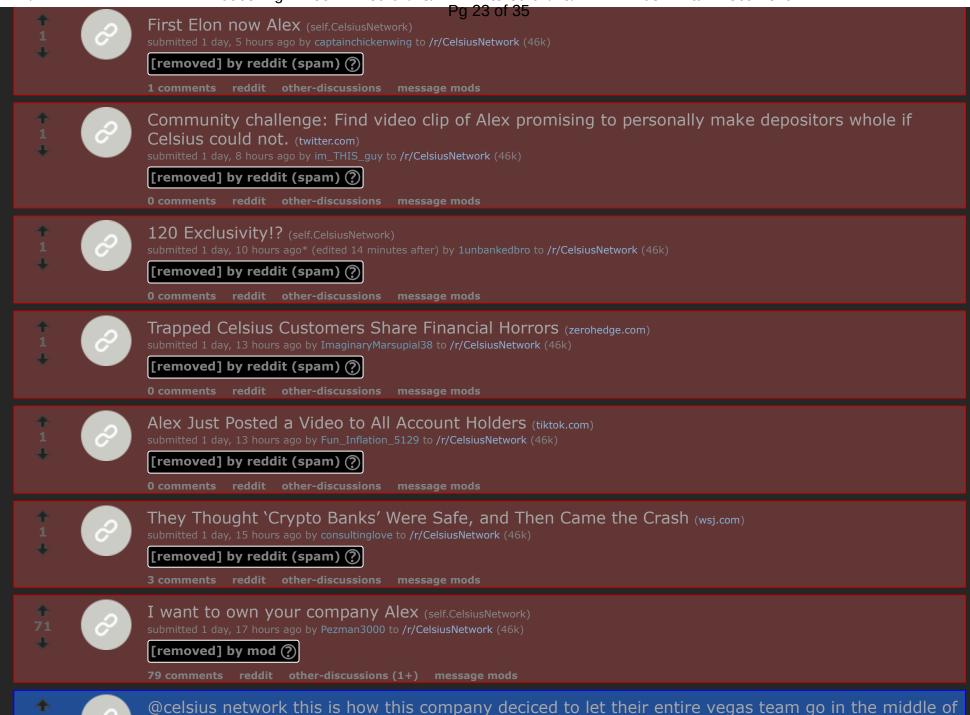


Why did so many of you not only invest money you couldn't afford to lose, but then gave that money to a random person? (self.CelsiusNetwork)

submitted 1 day 1 hour ago by [deleted] to /r/CelsiusNetwork (46k)

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a shift. They simply locked us out and then emailed us to our personal emails letting us know we were terminated. This company and the Ceo shows how little the care about the community!!



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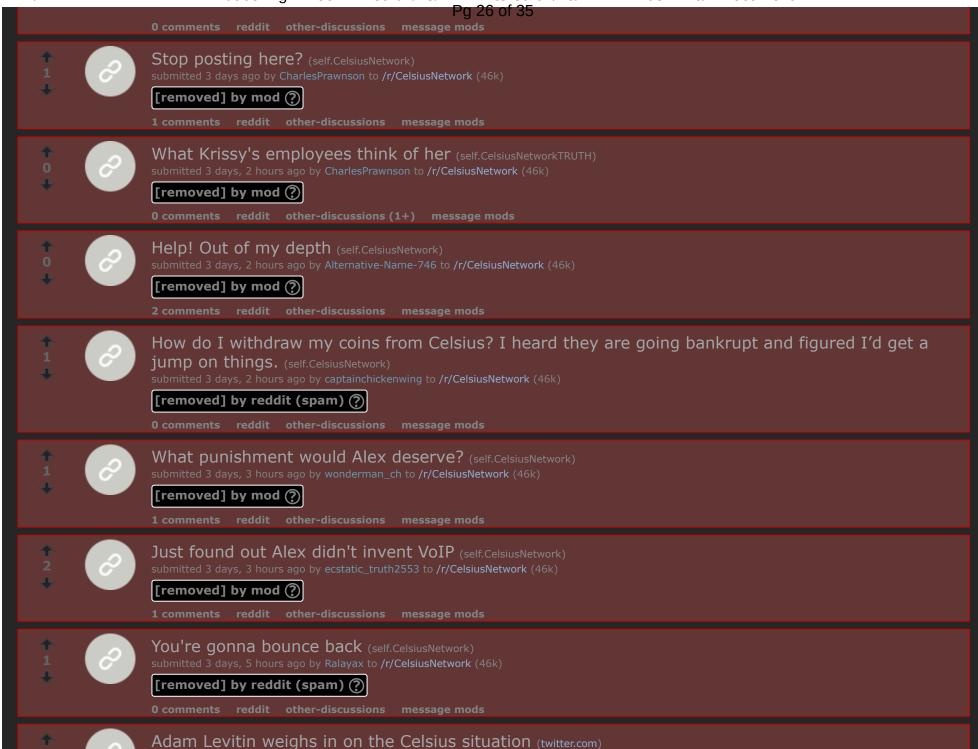
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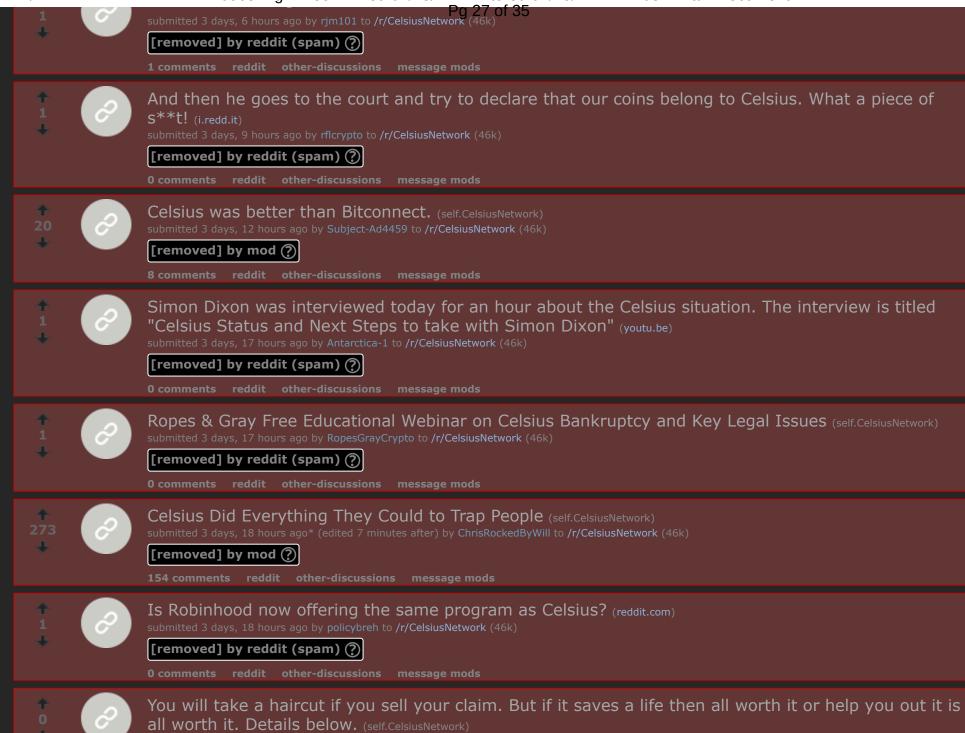


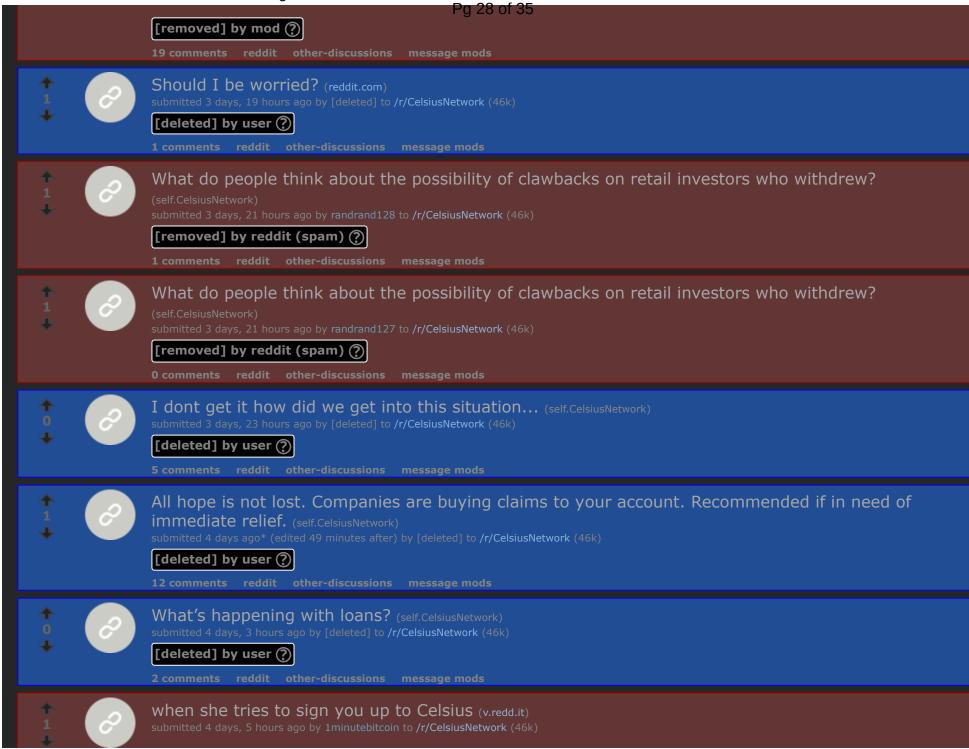
Mods are STILL censoring this sub, banning people, and preventing us from working together and sharing information. https://www.reddit.com/r/CelsiusNetworkTRUTH/ is not run by Celsius employees getting paid with our hostage funds. (i.redd.it)

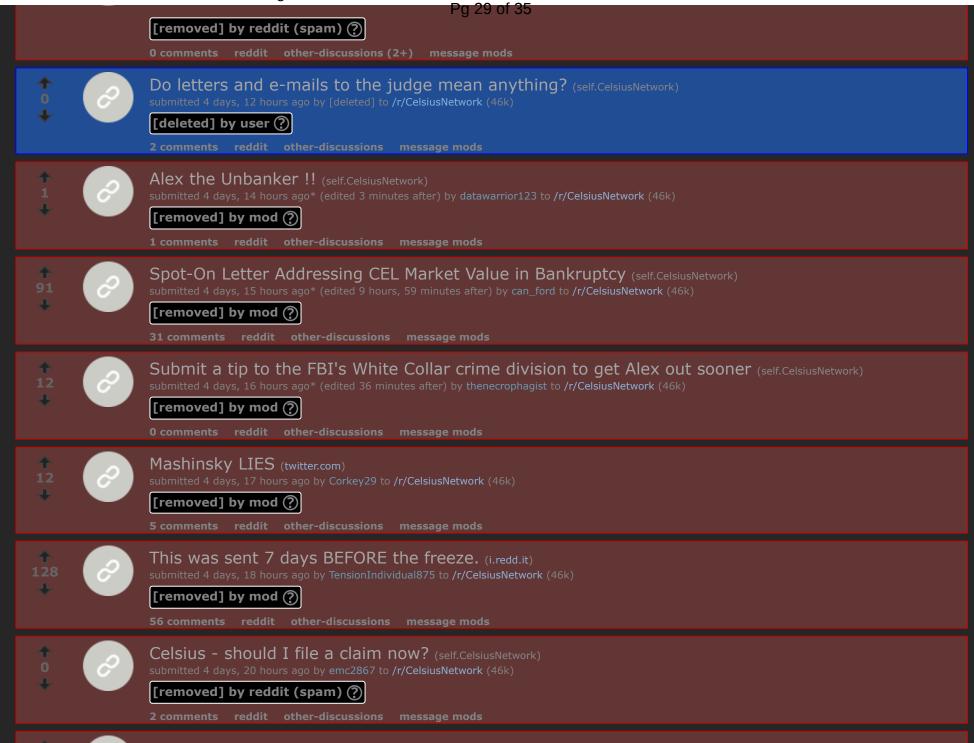
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22-10965-mg Doc Filed 07/25/22 Entered 07/26/22 11:21:03 Main Document 7/25/22, 12:45 PM Pg 30 of 35 Do I need to file a claim now? (self.CelsiusNetwork) [removed] by reddit (spam) (?) Peter Schiff Exposed Mashinsky's Celsius Scam Seven Months Before It Imploded (youtube.com) [removed] by mod (?) 0 comments reddit other-discussions message mods Too little, too late for Celsius customers (self.CelsiusNetwork) [deleted] by user (?) Krissy Mashinsky's company Usastrong.io has a review page on trustpilot (see link). Let's get that down to 1 star guys!! \(\simega\) (trustpilot.com) [removed] by reddit (spam) (?) Voyager seals names of creditors (self.CelsiusNetwork) [removed] by reddit (spam) (?) Any User Would be 'Insane' to Trust Celsius With Their Assets Right Now: Former Employee (coindesk.com) [deleted] by user (?) Celsius Credit Card: A new hope? (publish0x.com)

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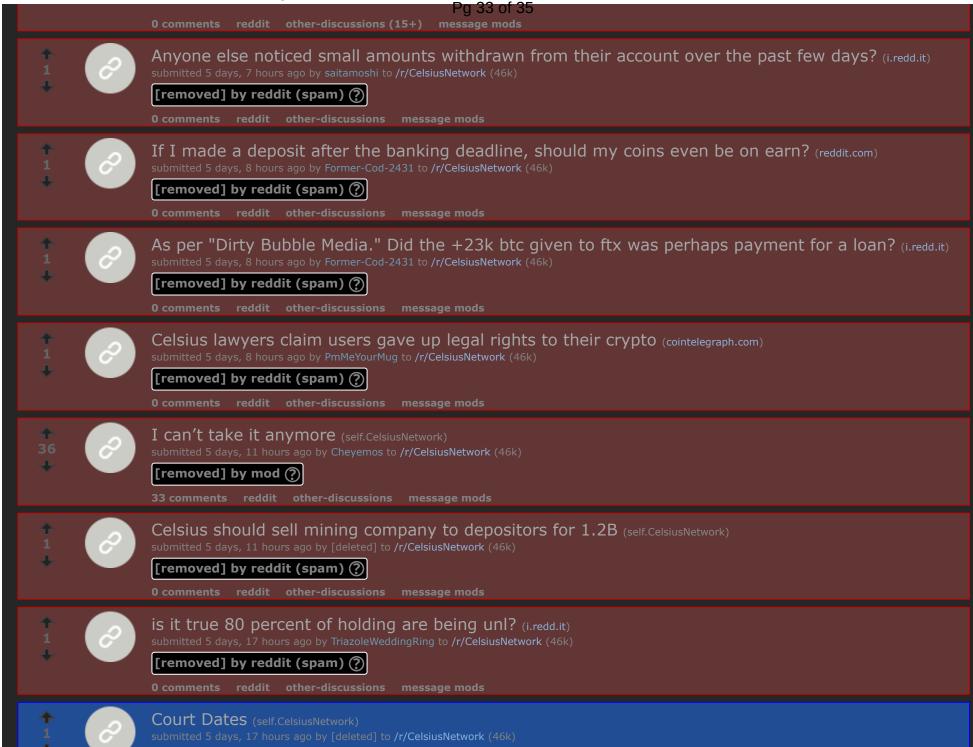
22-10965-mg Doc Filed 07/25/22 Entered 07/26/22 11:21:03 Main Document 7/25/22, 12:45 PM [removed] by mod (?) Payroll and Mining (self.CelsiusNetwork) [deleted] by user (?) [Unpopular] Take responsibility and stop HOPING for Alex to go to jail (self.CelsiusNetwork) [removed] by mod (?) I wish we could get the help of crypto influencers or Angel Investors. (self.CelsiusNetwork) [deleted] by user (?) I am going to become a crypto milli-ACK!" (i.redd.it) [removed] by mod (?) Buy Google 5 Star Reviews - Google genuine Safe & Guaranteed (self.CelsiusNetwork) [removed] by reddit (spam) ? alex's mom! (self.CelsiusNetwork) [removed] by mod (?) I AM GOING TO BECOME RICH AND GET LA-ACK! (i.redd.it) [removed] by reddit (spam) (?) O comments reddit other-discussions message mods

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Sounds similar... (v.redd.it)

[removed] by reddit (spam) (?)



22-10965-mg Doc Filed 07/25/22 Entered 07/26/22 11:21:03 Main Document 7/25/22, 12:45 PM Pg 34 of 35 [deleted] by user (?) 10 comments reddit other-discussions message mods Borrowing from Celsius (self.CelsiusNetwork) [deleted] by user (?) Looks like these Celsius-like scams are still working if they actively advertising in reddit (i.redd.it) [removed] by reddit (spam) (?) Celsius offering depositors a "Discount" for taking our money out is a manipulative use of the word. We're not saving money. "Instant Loss" is the word their marketing team is looking for. (self.CelsiusNetwork) [deleted] by user (?) Update: Celsius Network LLC have been authorized to continue to operate cash management system, etc (cases.stretto.com) [removed] by reddit (spam) (?) With Btc at 23k and ETH up 15 percent (self.CelsiusNetwork) [removed] by mod (?) bitcoin maximalists are the wosrt (self.CelsiusNetwork) [deleted] by user (?)

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